

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

DATE: 29 SEPTEMBER 2007

AGENDA ITEM NO: 6

SUBJECT: STATEMENT OF INTERNAL CONTROL

Report of the Clerk and Chief Financial Officer

1. MATTER FOR CONSIDERATION

- 1.1. To consider any changes to internal control arrangements since the approval to the Statement of Internal Control included in the 2006/07 accounts.

2. INFORMATION

Background

- 2.1. The arrangements for internal control within the Authority are under constant review and being regularly updated. It is good practice, and a requirement of the regulations, that Members continuously monitor the arrangements and satisfy themselves that those arrangements are sufficiently robust and are operating satisfactorily.
- 2.2. The auditors comments on the final accounts for 2006/07 are included elsewhere on the agenda and incorporate the latest SIC.

Changes to control arrangements

- 2.3. Since the last meeting the Authority has approved changes to its Standing Orders and Code of Conduct. Members should be aware of the changes although no action is required by this committee as they were approved by the full Authority at its meeting on 27 July 2007.

Position regarding alleged fraud

- 2.4. A fraud was discovered during 2005 involving an officer in another authority working on behalf of the PTA. A separate report appears elsewhere on the agenda relating to this matter.

Risk Matters (Appendix A)

- 2.5. The Risk register for the Authority (Appendix A) is attached and is reviewed bi-monthly by officers jointly with the Executive's Risk register. Since the last meeting an internal seminar has been held to review the Executive's register, including its format and the summary of strategic

risks. Both the Executive's and Authority's summaries of risks are now in a similar format. There has been no significant change in the risks identified and the situation stemming from the determination of the First appeal is still considered to be a significant risk. However, that situation is being specifically reviewed by the full Authority on an ongoing basis.

Quarterly financial monitoring (Appendices B and C)

- 2.6. In accordance with the revised terms of reference approved by the PTA annual meeting in June 2007 it is proposed to bring a report on the latest position to each meeting of this committee, other than the June meeting when the annual accounts are being considered. Since most of the expenditure is carried out by the PTE, but funded by grants from the PTA, the attached statements cover the combined PTA and PTE expenditure.
- 2.7. The two appendices cover revenue and capital separately. Notes are included at the foot of each appendix and further information can be provided at the meeting if required.

Financial control environment

- 2.8. Regular reports are made to the PTE audit committee who monitor the actions taken to ensure procedures and processes are both in place and up to date. Similarly a quarterly review meeting takes place to review actions as well as reviewing the cash book and to determine borrowing and investment transactions for the following quarter. These reviews indicate that all such controls are operating and are up to date.

3. FINANCIAL AND LEGAL IMPLICATIONS

- 3.1. None directly arising from this report.

4. STAFFING IMPLICATIONS

- 4.1. None directly arising from this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

- 5.1. None directly arising from this report.

6. RECOMMENDATIONS

- 6.1. That Members note the report.

Clerk and Chief Financial Officer

West Yorkshire Passenger Transport Authority